

## Message Text

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ACTION EUR-12

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USDOC FOR BEWT/USSR AND TDAD

E.O. 11652: N/A

TAGS: ETRD, EMIN, UR, US

SUBJECT: U.S. FIRMC VIE FOR DOLS 200 MILLION IN SOVIET STEEL  
PLANT CONTRACTS

1. MICHAEL GERNEY, EXPORT REPRESENTATIVE FOR PENNSYLVANIA'S AETNA-STANDARD ENGINEERING COMPANY, TOLD COMOFF NOV 16 THAT AETNA-STANDARD IS COMPETING FOR CONTRACTS TO SUPPLY MACHINERY AND TECHNOLOGY FOR PLANTS IN NOVOLIPETSK AND ZHDANOV WHICH WILL PRODUCE SILICON STEEL FOR DYNAMOS. SUBCONTRACTORS WOULD BE BLAW-KNOX (ROLLING MILL EQUIPMENT), ELECTRIC FURNACE (HEAT TREATING LINES), GENERAL ELECTRIC (CONTROLS), AND ALLEGHENY LUDLUM (TECHNOLOGY). TOTAL VALUE OF TWO CONTRACTS ESTIMATED AT DOLS 200 MILLION.

2. METALLURGIMPORT TOLD GERNEY THAT CONTRACTS WILL BE SIGNED IN JANUARY OR FEBRUARY 1977. HE HAS NO DEFINITE INFORMATION ON COMPETITION BUT ASSUMES THAT WEST GERMAN, JAPANESE AND POSSIBLE FRENCH FIRMS ARE ALSO SUBMITTING PROPOSALS. ASKED ABOUT AETNA-STANDARD'S PROSPECTS, HE EXPRESSED OPTIMISM AS COMPANY IS OFFERING COMPLETE FINANCING PACKAGE (ARRANGED THROUGH MELLON BANK) AND LATEST TECHNOLOGY IN SILICON STEEL PRODUCTION. ONLY ARMCO CAN COMPETE WITH ALLEGHENY-LUDLUM IN THIS FIELD, GERNEY CLAIMED, AND ARMCO IS APPARENTLY NOT INTERESTED IN NOVOLIPETSK-ZHDANOV PROJECTS.

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3. GERNEY ALSO CONFIRMED THAT ALLEGHENY LUDLUM HAS SUBMITTED PROPOSAL WITH ELECTRIC FURNACE FOR SALES OF EQUIPMENT TO PRODUCE GRAIN-ORIENTED SILICON STEEL FOR TRANSFORMER CORES. COMOFF HAD EARLIER LEARNED FROM THOMAS CUSHING, PRESIDENT OF ALMET, INC., ALLEGHENY LUDLUM'S TRADING COMPANY, THAT COMPANY HAS EXCELLENT PROSPECTS FOR MAKING THIS SALE.

4. WITH EXCEPTION OF ALLEGHENY LUDLUM , ALL COMPANIES INVOLVED IN PROPOSAL FOR NOVOLIPETSK AND ZHDANOV PLANTS WILL PARTICIPATE IN SEMINAR/MINI-EXHIBIT ON EQUIPMENT AND TECHNOLOGY FOR ROLLING MILLS AND RELATED STEEL MAKING PROCESSES, WHICH USDOC/BEWT WILL SPONSOR AT COMMERCIAL OFFICE DECEMBER 7-9.

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## Message Attributes

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